



# UNITED STATES PATENT AND TRADEMARK OFFICE

UNITED STATES DEPARTMENT OF COMMERCE  
United States Patent and Trademark Office  
Address: COMMISSIONER FOR PATENTS  
P.O. Box 1450  
Alexandria, Virginia 22313-1450  
www.uspto.gov

APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/531,571	03/20/2000	Bill E. Williams	BS99-191	6194
28970	7590	07/16/2004	EXAMINER	
SHAW PITTMAN IP GROUP 1650 TYSONS BOULEVARD SUITE 1300 MCLEAN, VA 22102			PATEL, JAGDISH	
			ART UNIT	PAPER NUMBER
			3624	

DATE MAILED: 07/16/2004

Please find below and/or attached an Office communication concerning this application or proceeding.

## Office Action Summary

Application No.

09/531,571

Applicant(s)

WILLIAMS ET AL.

Examiner

JAGDISH PATEL

Art Unit

3624

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --  
Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

### Status

- 1) ☒ Responsive to communication(s) filed on 09 April 2004.
- 2a) ☐ This action is **FINAL**. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

### Disposition of Claims

- 4) ☒ Claim(s) 1-32 is/are pending in the application.
- 4a) Of the above claim(s) \_\_\_\_\_ is/are withdrawn from consideration.
- 5) ☐ Claim(s) \_\_\_\_\_ is/are allowed.
- 6) ☒ Claim(s) 1-10 is/are rejected.
- 7) ☐ Claim(s) \_\_\_\_\_ is/are objected to.
- 8) ☒ Claim(s) 11-32 are subject to restriction and/or election requirement.

### Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on \_\_\_\_\_ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.  
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).  
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

### Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some \* c) ☐ None of:
- ☐ Certified copies of the priority documents have been received.
  - ☐ Certified copies of the priority documents have been received in Application No. \_\_\_\_\_.
  - ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

\* See the attached detailed Office action for a list of the certified copies not received.

### Attachment(s)

- |   |   |
|---|---|
| 1) <input checked="" type="checkbox"/> Notice of References Cited (PTO-892)             | 4) <input type="checkbox"/> Interview Summary (PTO-413)                     |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948)    | Paper No(s)/Mail Date. _____  |
| 3) <input type="checkbox"/> Information Disclosure Statement(s) (PTO-1449 or PTO/SB/08) | 5) <input type="checkbox"/> Notice of Informal Patent Application (PTO-152) |
| Paper No(s)/Mail Date _____   | 6) <input type="checkbox"/> Other: _____                                    |

**DETAILED ACTION**

***Election/Restrictions***

1. Applicant's election with traverse of claims 1-10 in the reply filed on 6/16/04 is acknowledged. The traversal is on the ground(s) that the subject matter of all of claims is sufficiently related that a through and complete search for the elected claims would necessary encompass a through and complete search for the elected claims. However, the applicant has failed provide any explanation in support of this assertion. The prior office action provides clear explanation as to the distinctness of each of the groups of inventions. The restriction of the inventions of claims 1-32 is therefore consistent and in compliance with MPEP guidelines (MPEP § 806.05(c) and MPEP § 806.05(e)).

The requirement is still deemed proper and is therefore made FINAL.

***Claim Rejections - 35 USC § 101***

**2. 35 U.S.C. 101 reads as follows:**

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

3. Claims 1, 2, 13, and 28 are rejected under 35 U.S.C. 101 because the claimed invention is directed to non-statutory subject matter.

As an initial matter, the United States Constitution under Art. I, §8, cl. 8 gave Congress the power to "[p]romote the progress of science and useful arts, by securing for limited times to authors and inventors the exclusive right to their respective writings and discoveries". In carrying out this power, Congress authorized under 35 U.S.C. §101 a grant of a patent to "[w]hoever invents or discovers any new and useful process, machine, manufacture, or composition or matter, or any new and useful improvement thereof." Therefore, a fundamental premise is that a patent is a statutorily created vehicle for Congress to confer an exclusive right to the inventors for "inventions" that promote the progress of "science and the useful arts". The phrase "technological arts" has been created and used by the courts to offer another view of the term "useful arts". See *In re Musgrave*, 167 USPQ (BNA) 280 (CCPA 1970). Hence, the first test of whether an invention is eligible for a patent is to determine if the invention is within the "technological arts".

Further, despite the express language of §101, several judicially created exceptions have been established to exclude certain subject matter as being patentable subject matter covered by §101. These exceptions include "laws of nature", "natural phenomena", and "abstract ideas". See *Diamond v. Diehr*, 450, U.S. 175, 185, 209 USPQ (BNA) 1, 7 (1981). However, courts have found that even if an invention incorporates abstract ideas, such as mathematical algorithms, the invention may nevertheless be statutory subject

matter if the invention as a whole produces a "useful, concrete and tangible result." See *State Street Bank & Trust Co. v. Signature Financial Group, Inc.* 149 F.3d 1368, 1973, 47 USPQ2d (BNA) 1596 (Fed. Cir. 1998).

This "two prong" test was evident when the Court of Customs and Patent Appeals (CCPA) decided an appeal from the Board of Patent Appeals and Interferences (BPAI). See *In re Toma*, 197 USPQ (BNA) 852 (CCPA 1978). In *Toma*, the court held that the recited mathematical algorithm did not render the claim as a whole non-statutory using the Freeman-Walter-Abele test as applied to *Gottschalk v. Benson*, 409 U.S. 63, 175 USPQ (BNA) 673 (1972). Additionally, the court decided separately on the issue of the "technological arts". The court developed a "technological arts" analysis:

The "technological" or "useful" arts inquiry must focus on whether the claimed subject matter...is statutory, not on whether the product of the claimed subject matter...is statutory, not on whether the prior art which the claimed subject matter purports to replace...is statutory, and not on whether the claimed subject matter is presently perceived to be an improvement over the prior art, e.g., whether it "enhances" the operation of a machine. In *re Toma* at 857.

In *Toma*, the claimed invention was a computer program for translating a source human language (e.g., Russian) into a target human language (e.g., English). The court found that the claimed computer implemented process was within the "technological art" because the claimed invention was an operation being performed by a computer within a computer.

The decision in *State Street Bank & Trust Co. v. Signature Financial Group, Inc.* never addressed this prong of the test. In *State Street Bank &*

Trust Co., the court found that the "mathematical exception" using the Freeman-Walter-Abele test has little, if any, application to determining the presence of statutory subject matter but rather, statutory subject matter should be based on whether the operation produces a "useful, concrete and tangible result". See State Street Bank & Trust Co. at 1374. Furthermore, the court found that there was no "business method exception" since the court decisions that purported to create such exceptions were based on novelty or lack of enablement issues and not on statutory grounds. Therefore, the court held that "[w]hether the patent's claims are too broad to be patentable is not to be judged under §101, but rather under §§102, 103 and 112." See State Street Bank & Trust Co. at 1377. Both of these analysis goes towards whether the claimed invention is non-statutory because of the presence of an abstract idea. Indeed, State Street abolished the Freeman-Walter-Abele test used in *Toma*. However, State Street never addressed the second part of the analysis, i.e., the "technological arts" test established in *Toma* because the invention in State Street (i.e., a computerized system for determining the year-end income, expense, and capital gain or loss for the portfolio) was already determined to be within the technological arts under the *Toma* test. This dichotomy has been recently acknowledged by the Board of Patent Appeals and Interferences (BPAI) in affirming a §101 rejection finding the claimed invention to be non-statutory. See *Ex parte Bowman*, 61 USPQ2d (BNA) 1669 (BdPatApp&Int 2001).

In the present application, Claims 1-10 have no connection to the technological arts. None of the steps indicate any connection to a computer or technology. The method steps "flagging entries in an update file",

Art Unit: 3624

"searching the update file", "reformatting the flagged entries" could be performed manually by a person physically maintaining records in a journal or a card file. The step of "transmitting the flagged entries" is interpreted as delivering the rearranged or sorted records physically or via a courier service such as UPS or postal service. Therefore, the claims are directed towards non-statutory subject matter. To overcome this rejection the Examiner recommends that Applicant amend the claims to better clarify which of the steps are being performed within the technological arts, such as computers and/or communication networks. The other claims could be similarly amended to include a computer network.

***Claim Rejections - 35 USC § 112***

4. The following is a quotation of the second paragraph of 35 U.S.C. 112:

The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.

5. Claims 1-10 are rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention.

6. Claim 1 recites step (b) as "searching ..for flagged entries that indicate an account change;". However, step (a) recites that the flagged entries only show that they "correspond to electronic billing customers". No entries are flagged in the

update file to indicate an account change and therefore searching step can not be carried out.

7. Claims 1-10 are rejected under 35 U.S.C. 112, second paragraph, as being incomplete for omitting essential steps, such omission amounting to a gap between the steps. See MPEP § 2172.01.

8. step (c) requires that the flagged entries that indicate account changes be stored or copied into a separate file before the reformatting of the entries is performed. Mere searching the update file does not accomplish this step. (see specification p. 12 L 1-7).

9. claims 2 is indefinite because the property or attribute of the update file does not functionally relate to the method steps (a)-(d). In other words these steps can be performed regardless of whether the update file stores one entry for each service order activity or not.

10. claims 3 is indefinite because the manner in which the entries are placed in the update file does not functionally relate to the method steps (a)-(d).

11. claims 4 and 5 are rejected because the manner in which the search of the update file is carried or the searching is performed does not affect any other process limitation. For



example, steps of reformatting and transmitting have no relationship to the acts of claims 4 and 5.

12. claims 10 is indefinite because the manner in which the account changes are selected does not functionally relate to the method steps (a)-(d).

***Claim Rejections - 35 USC § 103***

13. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

14. Claims 1-10 are rejected under 35 U.S.C. 103(a) as being unpatentable over Hendrix (US Pat. 5,893,088) and further in view of Narurkar et al. (US Pat. 6,711,624).

Hendrix discloses a system and method of a method of flagging entries in an update file and subsequently searching for the update file for the flagged entries and reformatting the flagged entries that meet certain criteria (refer to abstract, col. 2 L 34+...the method identifies a single type of entity in the database..account number in the case of a banking

application. A table ..is formed that is used to track which entries meet the various sub criteria in a complex query.. Logical operations can then .. to determine which entries meet the complex query and col. 3 L 37+(Of course, once the query is complete, any information about the resulting set of entries in the database may be displayed).

(Note: although only representative text of the cited reference is cited herein, the steps of flagging entries, searching ..for flagged entries as outlined above are further disclosed throughout the Hendrix patent reference).

Narurkar, in the same field of endeavor teaches a method of transmitting data between disparate data hosts wherein the data files are reformatted and subsequently transmitting the reformatted files to the remote hosts (see col. 3 and 4).

It would have been obvious to one of ordinary skill in the art at the time of the invention to combine Hendrix with Narurkar to obtain a method for exchanging information by flagging entries in a (update) file (that meet certain predefined criteria), searching the file for flagged entries and (storing the search result into a file that contain the flagged entries) per Hendrix and reformatting the flagged entries file and transmitting the reformatted file (containing) flagged entries to a host.

Art Unit: 3624

Hendrix and Narurkar fail to teach that the resulting combination is in the field of endeavor of electronic billing. However, it is asserted that the Hendrix and Narurkar combination is not limited to any particular field of application and therefore is capable of being usable in any field of electronic commerce where in the process facilitates more convenient transactions and user transparent exchange of data between disparate data hosts running on disparate computer platforms.

If the prior art structure is capable of performing the intended use, then it meets the claim. In a claim drawn to a process of making, the intended use must result in a manipulative difference as compared to the prior art. See *In re Casey*, 152 USPQ 235 (CCPA 1967) and *In re Otto*, 136 USPQ 458, 459 (CCPA 1963).

In the instant case, there is no manipulative difference in process steps flagging entries in an update file, searching the update file, reformatting the flagged entries, and transmitting the reformatted flagged entries due to intended use of transmitting the reformatted file containing the flagged entries to the billing vendor.

Over the years, numerous court decisions have analyzed the content of various claim language for meaningful, useful differences in structure or acts performed between the claims and the prior art. Some of these decisions have found that certain language adds little, if anything, to the claimed structure or acts and thus do not serve as a limitation on the claims to distinguish over the prior art. For example, language directed to an intended use of dispensing popcorn in a claim for a product did not result in a structural or functional difference with respect to prior art and were held not to serve as a limitation on the claim. See *In re Schreiber*, 44 USPQ2d 1429 (CAFC 1997).

Thus, a limitation on a claim can broadly be thought of then as its ability to make a meaningful contribution to the definition of the invention in a claim. In other words, language that is not functionally interrelated with the useful acts, structure, or properties of the claimed invention will not serve as a limitation. See *In re Gulack*, 217 USPQ 401 (CAFC 1983), *Ex parte Carver*, 227 USPQ 465 (BdPatApp&Int 1985) and *in re Lowry*, 32 USPQ2d 1031 (CAFC 1994) where language provided certain limitations because of specific relationships required by the claims.

In the instant case file that corresponds to electronic billing customer, flagged entries that indicate an account change(s) do not functionally interrelate to the manipulative steps (or acts) of flagging the entries, searching the update file, reformatting the flagged entries and transmitting the reformatted flagged entries (in a file) and therefore will not serve as limitation.

Therefore, it would have been obvious to a person of ordinary skill in the art at the time the invention was made to flag any type of entries in a file, search the file for the flagged entries for any attribute, reformat the flagged entries and transmit the reformatted flagged entries that indicated the selected attribute because such data does not functionally relate to the steps in the method claimed and because the subjective interpretation of the data does not patentably distinguish the claimed invention.

Claim 2 and 3: refer to analysis of nonfunctional descriptive material. The limitations of these claims do not functionally relate to the functionality of process steps of claim 1 as explained before and therefore treated as non-function limitation. See claim 1 for further analysis.

Claims 4-5: refer to analysis of nonfunctional descriptive material. The limitations of these claims do not functionally relate to the functionality of process steps of claim 1 as explained before and therefore treated as non function limitation. See claim 1 for further analysis.

(see also 112 (second) rejection for additional explanation).

Claims 6-8: reformatting ..translates the flagged entries ..into a record format required by the electronic billing vendor (refer to Summary of the Invention in Narurkar which teaches a process for transferring a data block from a source host having an internal source data format to a destination host having a data format different from reformatting the source data.

Claim 9: Official Notice is taken that transmitting data over a network using a file transfer protocol (FTP) old and well known.

It would have been obvious to one of ordinary skill in the art at the time of applicant's invention to transmit the flagged entries that indicate account changes to the billing vendor occurs through a network using a file transfer protocol (FTP) as a matter of designer's choice.

Claim 10 is similarly analyzed because it recites limitation "account changes .. are selected from.." which does not functionally relate to the manipulative steps of the parent claim 1. See claim 1 for further analysis.

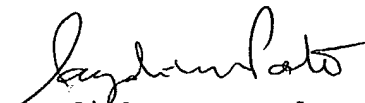
### ***Conclusion***

The prior art made of record and not relied upon is considered pertinent to applicant's disclosure.

Any inquiry concerning this communication or earlier communications from the examiner should be directed to JAGDISH PATEL whose telephone number is (703)308-7837. The examiner can normally be reached on 800AM-600PM M-Th.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Vincent Millin can be reached on (703)308-1065. The fax phone number for the organization where this application or proceeding is assigned is 703-872-9306.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free).



Jagdish N. Patel

(Primary Examiner, AU 3624)

7/9/04